

AMENDMENTS TO THE SPECIFICATION:

Please replace paragraphs [0026]-[0027] with the following amended paragraphs:

[0026] When an original media data set 5 is to be played in a playing device 10 as shown in FIG. 1, the CCI analyzer 12 of the playing device initially analyzes the CCI of the data set. The playing device prohibits playing the media data set for any one of the above-mentioned cases. Then the player watermark generator 14 processes the played signal and performs a watermark embedding process. If the played media signal is marked with “copy never” or “no more copies”, no signal should be issued to a recorder 20. Otherwise, the played signal may be recorded by the recorder. The recorded media signal contains an original watermark (W1) and a secondary watermark (W2) with an updated CCI. The CCI updating process is performed only for a media data set marked with “copy one generation”. In the CCI updating process, “copy one generation” will be substituted with “no more copies.” On the other hand, when the playing device is subject to transfer the original media data set to a displaying device, “copy one generation” will be substituted with “copy for display only”.

[0027] When a media copy 5 is to be played in a playing device 10 as shown in FIG. 2, the CCI analyzer 12 of the playing device initially analyzes the CCI of the media copy. The playing device 10 prohibits playing the copy for any one of the above-mentioned cases. In addition, the playing device analyzes the second watermark (W2). If it is determined that the second watermark (W2) conflicts with the original watermark (W1) in terms of copy control, the media copy is considered to be illegal and unplayable. When the media copy is played, the played signal may only be displayed by a digital displaying device 30.